

Message Text

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ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 COME-00 TRSE-00 AGR-20 TAR-02

SPC-03 SAM-01 AID-20 NSC-10 RSC-01 CIEP-02 SS-20

STR-08 OMB-01 CEA-02 CIAE-00 INR-10 NSAE-00 PA-04

PRS-01 L-03 DRC-01 /137 W
----- 049215

R 151424Z FEB 74

FM AMEMBASSY TEGUCIGALPA
TO SECSTATE WASHDC 6328

LIMITED OFFICIAL USE TEGUCIGALPA 0666

E.O. 11652: N/A

TAGS: ETRD, HO

SUBJECT: HONDURAN EXPORT CONTROLS AND EXPORT TAXES

REF: STATE 022871 AND TEGUCIGALPA 0599

1. FOLLOWING ARE EXPORT CONTROLS IMPOSED BY GOH SINCE
JANUARY 1973:

A. ACUARDO NO. 188 OF JUNE 28, 1973 PROHIBITS EXPORT
OF FEMALE CATTLE, MEAT FROM FEMALE CATTLE, AND
VISCERAS.

B. ACUERDO NO. 330 OF NOVEMBER 5, 1973 PROHIBITS EXPORT
OF IRON OR STEEL SCRAP METAL BUT MINISTRY OF ECONOMY
CAN AUTHORIZE EXPORT WHEN THIS WILL NOT ENDANGER
OPERATIONS OF LOCAL FIRMS WHICH USE SUCH MATERIAL.

C. ACUERDO NO. 341 OF NOVEMBER 7, 1973 REQUIRES
MEAT PACKERS TO PROVIDE 10 PERCENT OF THEIR PRODUCTION
TO SUPPLY INTERNAL MARKET.

D. ACUERDO 340 OF NOVEMBER 7, 1973 PROVIDES THAT ONLY
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THE NATIONAL DEVELOPMENT BANK CAN IMPORT OR EXPORT
CORN, BEANS, AND POTATOES.

E. DECREE NO. 103 OF JANUARY 1, 1974 MAKES THE EXPORT OF LUMBER, WOOD PRODUCTS, AND RESIN DISTILLATION PRODUCTS AN EXCLUSIVE FUNCTION OF A SEMIAUTONOMOUS STATE AGENCY, THE HONDURAN CORPORATION FOR FORESTRY DEVELOPMENT (COHDEFOR).

2. TWO OTHER EXPORT CONTROL MEASURES TAKEN END OF 1972:

A. ACUERDO NO. 310 OF SEPTEMBER 7, 1972 MAKES EXPORT OF LEATHER SUBJECT TO PERMISSION OF MINISTRY OF ECONOMY.

B. ACUERDO NO. 358 OF NOVEMBER 1, 1972 MAKES EXPORT OF LIVE CATTLE SUBJECT TO PERMISSION OF MINISTRY OF ECONOMY.

3. ONLY EXPORT TAX MEASURE TAKEN SINCE JANUARY 1973 WAS DECREE NO. 51 OF JUNE 22, 1973 WHICH RAISED THE RATES ON LUMBER EXPORTS. THIS STEP WAS NOT TO DISCOURAGE EXPORTS BUT RATHER TO INCREASE REVENUE IN THE LIGHT OF HIGH EXPORT PRICES FOR LUMBER, AS NO ADJUSTMENTS IN THE DUTY HAD BEEN MADE SINCE 1955. GOH IS NOW REVIEWING ITS TAX CODES TO DETERMINE OTHER AREAS OF PROMISING REVENUE AND IS CONSIDERING IMPOSING EXPORT TAXES ON MEAT AND SEAFOOD AND INCREASING THE TAX ON COFFEE. ANOTHER PROPOSAL IS A TAX ON MINERAL EXPORTS TO THE APPLIED INVERSELY TO THE DEGREE TO TRANSFORMATION OF THE MINERAL IN COUNTRY IN ORDER TO FORCE MINING COMPANIES TO DO SOME DEGREE OF PROCESSING HERE.

4. AS FOR PRODUCTS WHERE PRESSURES FOR EXPORT CONTROLS LIKELY, IT IS POSSIBLE THAT SOMETHING WILL BE DONE TO GUARANTEE A CERTAIN LEVEL OF INTERNAL SUPPLY OF LUMBER AS FURNITURE AND OTHER MANUFACTURERS HAVE VOICED COMPLAINTS OVER LACK OF RAW MATERIALS. MINISTRY OF ECONOMY SHORTLY PLANS PUBLISH LIST OF BASIC CONSUMER ITEMS AND INDISPENSABLE RAW MATERIALS WHICH CAN BE SUBJECTED TO QUOTA OR LICENSING MECHANISM TO INSURE AN ADEQUATE INTERNAL SUPPLY (AS AUTHORIZED BY DECREE 91 OF NOVEMBER 8, 1973). EMBASSY WILL REPORT CONTENTS OF LIST.

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5. NO KNOWN SIGNIFICANT AGREEMENTS TO TRADE ON BARTER TERMS.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CUSTOMS DUTIES, LIVESTOCK, IRON, STEEL, WOOD PRODUCTS, LEATHER, COFFEE, EXPORT CONTROLS, IMPORT CONTROLS, MEATS, VEGETABLES
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Copy: SINGLE
Draft Date: 15 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Executive Order: N/A
Errors: N/A
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Handling Restrictions: n/a
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ISecure: 1
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